



# Weather Protection

**Agribusiness** Climate change is producing more unpredictable weather while banks, investors and stakeholders are demanding the lower earnings volatility that weather risk transfer can produce.



The Bureau of Meteorology (BoM) believes that Australian farmers operate in one of the **riskiest** environments in the world.

Agribusinesses face many perils however the variability of Australian weather and climate has one of the biggest impacts on yield and production. Our farmers, their suppliers and customers are also amongst the least subsidised by governments in the developed world.

Allstate Weather can protect your agribusiness against a number of weather indices using objective, independent, meteorological data so there is no need for loss adjustment or claims negotiation. Revenue reductions or expense enlargements are compensated for within days of contract conclusion. Some of the perils protected are:



Low rainfall reducing yield, prolonging drought or devastating feedstock



High rainfall spoiling fruit, delaying harvest or flooding farms



Extreme temperatures stressing livestock, disrupting production or spoiling produce



Extreme weather events such as cyclones flattening crops

**\$140m** was wiped off the value of WA's 2016 grain harvest due to frost & water-logging

In 2016 widespread rain wiped nearly **\$60m** off the national cherry harvest

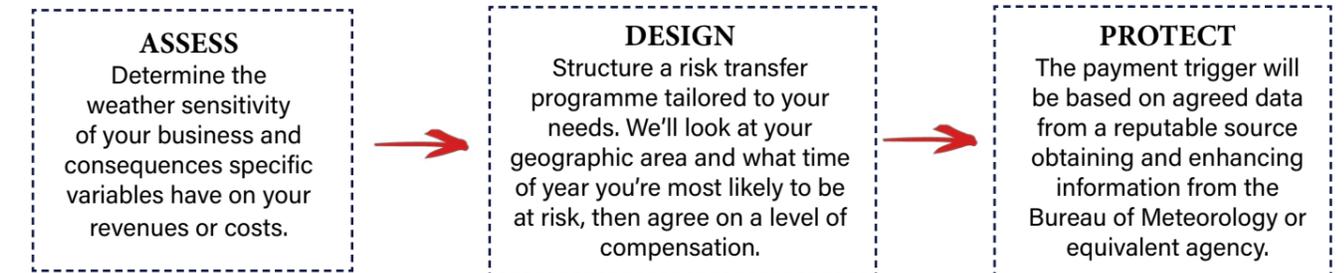
Flood damage to crops in NSW in 2016 was estimated at more than **\$500m**

In 2015 a warm & dry finish to the grain-growing season reduced the quality of Australia's barley crop by **50%**

In addition to weather station data, the Bureau now has gridded datasets for the whole country. This means that you can use your precise location as a reference point for weather data and your contract. This eliminates the risk that the contract responds to weather station data, when the station may not be in close proximity, instead of responding to data at your specific location.

Protection is tailored to your precise location, exposure and financial requirements. Unlike more commoditised risk transfer contracts, weather contracts are bespoke to each buyers' needs, the only limitations are that a third-party data reference provider is used and that cover needs to be bound at least one month out from the inception date.

We can work with you to:



#### WEATHER PROTECTION DOES NOT:

- Charge you for a quote or require you to submit to a complex audit of historical yield
- Keep premium pricing in a black box
- Require you to prove a loss before a claim is paid
- Need you to conform to a standardised product, payout pattern or timeframe
- Call on loss adjusters or lawyers to negotiate settlement
- Depend on physical damage before compensating for reduced earnings

#### WHY PURCHASE WEATHER PROTECTION?

- Product is available to all farm produce, crops, feed, livestock, orchard or vineyard
- Fully independent data used to determine loss
- Flexibility to craft a programme based on your budget requirements
- Expected increased volatility in weather patterns in years to come
- The sector continues to receive little funding from State or Federal government
- All seasonal variations such as sowing and harvesting catered to

#### KEY FACTS TO ASSIST YOUR DECISION

- Product can be tailored to suit either your production costs, income or profit stabilisation
- Weather performance is central to resulting yield
- A simplistic approach driven first by farmers needs
- We listen to your requirements, design appropriate cover, discuss findings and
- You'll receive recommendations built upon 20 years of experience in product type

#### OUR PROMISE TO YOU

- No loss adjusters, lawyers or agronomists
- No yield calculations or historical audits
- No proof of loss requirements
- No physical damage required
- No claim payment delays
- No off the shelf solutions
- No charges or fees pre binding
- No Insurer 12 month minimum period restrictions



**ALLSTATE UNDERWRITING  
ARE THE PREMIER  
CHOICE FOR YOUR FARM  
INSURANCE NEEDS.**

DON'T LET YOUR FARM BE JUST ANOTHER  
NUMBER, HAVE SECURITY KNOWING  
YOU ARE BACKED BY ALLSTATE.

*Who's backing you?*

If your business is exposed to weather risk, Allstate Weather can tailor a policy specifically to meet your needs. Weather protection is increasingly affordable as demand rises and supply increases.



Allstate Underwriting Agencies Pty Ltd (ABN: 51 121 066 180) is an authorised representative  
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